

House File 2350 - Introduced

HOUSE FILE 2350

BY LONDON

(COMPANION TO SF 2176 BY EDLER)

A BILL FOR

1 An Act establishing a rural veterinarian loan repayment
2 program for veterinary students and certain licensed
3 veterinarians and a rural veterinary care trust fund, and
4 making appropriations.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 261.120 Rural veterinarian loan
2 repayment program — fund — appropriations.

3 1. *Definitions.* For purposes of this section, unless the
4 context otherwise requires:

5 *a. "Eligible loan"* means the veterinarian's total federally
6 guaranteed Stafford loan amount under the federal family
7 education loan program or the federal direct loan program, the
8 recipient's federal grad plus loans, or the recipient's federal
9 Perkins loan, including principal and interest.

10 *b. "Practice of food supply veterinary medicine"* includes
11 corporate and private practices devoted to food animal
12 medicine, mixed animal medicine located in a rural area, food
13 safety, epidemiology, public health, animal health, and other
14 public and private practices that contribute to the production
15 of a safe and wholesome food supply.

16 *c. "Rural service commitment area"* means a city in Iowa
17 with a population of less than twenty-six thousand that is
18 located more than twenty miles from a city with a population of
19 fifty thousand or more and which provides a dollar contribution
20 equivalent to twelve and one-half percent of the veterinarian's
21 total eligible loan amount upon graduation for deposit in the
22 rural veterinary care trust fund.

23 *d. "Veterinary shortage area"* means a designated veterinary
24 service shortage situation in Iowa identified and nominated
25 by the state veterinarian, and recommended for designation in
26 accordance with the federal National Veterinary Medical Service
27 Act, 7 U.S.C. §3101 et seq., and published by the United States
28 department of agriculture.

29 2. *Program established.* A rural veterinarian loan
30 repayment program is established to be administered by the
31 college student aid commission for purposes of providing
32 loan repayments for individuals who agree to practice
33 as veterinarians in rural service commitment areas or in
34 veterinary shortage areas in Iowa for four years and meet the
35 requirements of this section. The commission shall adopt

1 rules pursuant to chapter 17A to administer this section.

2 The commission may accept gifts, grants, bequests, and other
3 private contributions, as well as state or federal moneys, for
4 deposit in the fund created under subsection 10.

5 3. *Eligibility.* An individual is eligible to apply to enter
6 into a program agreement with the commission if the individual
7 meets any of the following requirements:

8 a. Is enrolled in the final year of a veterinary degree
9 program at a college of veterinary medicine accredited by the
10 American veterinary medical association council on education.

11 b. Is a veterinarian licensed pursuant to chapter 169
12 who, within five years of applying for this program, received
13 a veterinary medicine degree from a college of veterinary
14 medicine accredited by the American veterinary medical
15 association council on education.

16 4. *Program agreements.* A program agreement shall be entered
17 into by an individual and the commission if the individual
18 meets the requirements of subsection 3. Under the agreement,
19 to receive loan repayments pursuant to subsection 6, the
20 individual shall fulfill all of the following requirements:

21 a. Receive or possess a doctor of veterinary medicine,
22 or the equivalent, from a college of veterinary medicine
23 accredited by the American veterinary medical association
24 council on education.

25 b. Possess, or apply for and obtain, a license to practice
26 veterinary medicine under chapter 169.

27 c. Secure an offer of employment or establish and maintain
28 a practice in a veterinary shortage situation or rural service
29 commitment area and engage in the full-time practice of
30 veterinary medicine for a period of four consecutive years
31 after entering into the agreement in the veterinary shortage
32 area or rural service commitment area, unless the loan
33 repayment recipient receives a waiver from the commission to
34 complete the years of practice required under the agreement in
35 another veterinary shortage area or rural service commitment

1 area pursuant to subsection 7.

2 5. *Priority to certain applicants.* The commission shall
3 give priority to applicants who graduated from a high school in
4 Iowa or completed private instruction under chapter 299A.

5 6. *Loan repayment amounts.*

6 a. Unless the agreement entered into under subsection
7 4 stipulates otherwise, the amount of loan repayment an
8 individual who enters into an agreement shall receive if in
9 compliance with obligations under the agreement shall not
10 exceed fifteen thousand dollars annually for an eligible
11 loan. Payments under this section may be made for each year
12 of eligible practice during a period of four consecutive years
13 and shall not exceed a total of sixty thousand dollars or the
14 amount of outstanding eligible loans, whichever amount is less.

15 b. Subject to the availability of funding for this
16 purpose, the commission shall enter into at least five program
17 agreements annually.

18 7. *Selection of rural service commitment area or veterinary*
19 *shortage area.* A loan repayment recipient shall notify the
20 commission of the recipient's rural service commitment area
21 or veterinary shortage area prior to beginning practice in
22 the area in accordance with subsection 4, paragraph "c". The
23 commission may waive the requirement that the loan repayment
24 recipient practice in the same rural service commitment area or
25 veterinary shortage area for all four years.

26 8. *Rural service commitment area or veterinarian shortage*
27 *area priority.* When possible, the commission shall enter into
28 agreements under subsection 4 with individuals who agree to
29 practice in areas in the following priority order:

30 a. Private practice food supply veterinary medicine in any
31 veterinary shortage area.

32 b. Private practice food supply veterinary medicine in a
33 city in Iowa with a population of less than twenty-six thousand
34 that is located more than twenty miles from a city with a
35 population of fifty thousand or more, especially in remote or

1 economically depressed rural areas.

2 *c.* Animal veterinary medicine in a rural service commitment
3 area.

4 9. *Postponement and satisfaction of service obligation.*

5 *a.* The obligation to engage in practice in accordance with
6 subsection 4 shall be postponed for the following purposes:

7 (1) Active duty status in the armed forces, the armed forces
8 military reserve, or the national guard.

9 (2) Service in volunteers in service to America.

10 (3) Service in the federal peace corps.

11 (4) A period of rural service commitment to the United
12 States public health service commissioned corps.

13 (5) A period of religious missionary work conducted by an
14 organization exempt from federal income taxation pursuant to
15 section 501(c)(3) of the Internal Revenue Code.

16 (6) Any period of temporary medical incapacity during which
17 the person obligated is unable, due to a medical condition, to
18 engage in full-time practice as required under subsection 4,
19 paragraph "c".

20 *b.* Except for a postponement under paragraph "a",
21 subparagraph (6), an obligation to engage in practice under an
22 agreement entered into pursuant to subsection 4 shall not be
23 postponed for more than two years from the time the full-time
24 practice was to have commenced under the agreement.

25 *c.* An obligation to engage in full-time practice under
26 an agreement entered into pursuant to subsection 4 shall be
27 considered satisfied when any of the following conditions are
28 met:

29 (1) The terms of the agreement are completed.

30 (2) The person who entered into the agreement dies.

31 (3) The person who entered into the agreement, due to
32 a permanent disability, is unable to practice veterinary
33 medicine.

34 (4) The commission waives the requirement that the person
35 who entered into the agreement fulfill the obligation to engage

1 in practice.

2 *d.* If a loan repayment recipient fails to fulfill
3 the obligation to engage in practice in accordance with
4 subsection 4, the recipient shall be subject to repayment to
5 the commission of the loan amount plus interest as specified
6 by rule. A loan repayment recipient who fails to meet the
7 requirements of the obligation to engage in practice in
8 accordance with subsection 4 may also be subject to repayment
9 of moneys advanced by the rural service commitment area as
10 provided in any agreement with the rural service commitment
11 area.

12 10. *Trust fund established.* A rural veterinary care trust
13 fund is created in the state treasury as a separate fund under
14 the control of the commission. The commission may accept
15 gifts, grants, bequests, and other private contributions, as
16 well as state or federal moneys, for deposit in the fund. The
17 commission shall remit all repayments made pursuant to this
18 section to the rural veterinary care trust fund. All moneys
19 deposited or paid into the trust fund are appropriated and
20 made available to the commission to be used for meeting the
21 requirements of this section and increasing the number of
22 veterinarians participating in the program. Moneys in the
23 fund up to the total amount that an eligible individual may
24 receive for an eligible loan in accordance with this section
25 and upon fulfilling the requirements of subsection 4, shall be
26 considered encumbered for the duration of the agreement entered
27 into pursuant to subsection 4. Notwithstanding section 8.33,
28 any balance in the fund on June 30 of each fiscal year shall not
29 revert to the general fund of the state, but shall be available
30 for purposes of this section and to increase the number of
31 veterinarians participating in the program in subsequent fiscal
32 years.

33 EXPLANATION

34 The inclusion of this explanation does not constitute agreement with
35 the explanation's substance by the members of the general assembly.

1 This bill establishes a rural veterinarian loan repayment
2 program in the college student aid commission to provide
3 loan repayments for individuals who agree to practice as
4 licensed veterinarians in rural service commitment areas or
5 in veterinary shortage areas in Iowa for four years, and
6 establishes in the state treasury a rural veterinary care trust
7 fund under the control of the commission.

8 "Rural service commitment area" means a city in Iowa with
9 a population of less than 26,000 that is located more than
10 20 miles from a city with a population of 50,000 or more
11 and which provides a contribution for deposit in the rural
12 veterinary care trust fund equivalent to 12.5 percent of the
13 veterinarian's total eligible loan amount upon graduation.

14 "Veterinary shortage area" means a designated veterinary
15 service shortage situation in Iowa identified and nominated
16 by the state veterinarian, and recommended for designation in
17 accordance with the federal National Veterinary Medical Service
18 Act, 7 U.S.C. §3101 et seq., and published by the United States
19 department of agriculture.

20 An individual is eligible to enter into an agreement with
21 the commission for loan repayment if the individual is either
22 enrolled in the final year of a veterinary degree program
23 at an accredited college of veterinary medicine or is a
24 licensed veterinarian who, within five years of applying for
25 the program, received a veterinary medicine degree from an
26 accredited college of veterinary medicine.

27 To receive loan repayments, in addition to being or becoming
28 a licensed veterinarian, the individual must secure an offer of
29 employment or establish and maintain a practice in a veterinary
30 shortage situation or rural service commitment area and engage
31 in the full-time practice of veterinary medicine for a period
32 of four consecutive years in the veterinary shortage area or
33 rural service commitment area.

34 The commission shall give priority to applicants who
35 graduated from an Iowa high school or completed private

1 instruction in Iowa. The bill also directs the commission,
2 when possible, to enter into agreements with individuals
3 who agree to practice in areas in the following priority
4 order: private practice food supply veterinary medicine in
5 any veterinary shortage area; private practice food supply
6 veterinary medicine in a city in Iowa with a population
7 of less than 26,000 located more than 20 miles from a city
8 with a population of 50,000 or more, especially in remote or
9 economically depressed rural areas; and animal veterinary
10 medicine in a rural service commitment area.

11 The bill defines "practice of food supply veterinary
12 medicine" to include corporate and private practices devoted to
13 food animal medicine, mixed animal medicine located in a rural
14 area, food safety, epidemiology, public health, animal health,
15 and other public and private practices that contribute to the
16 production of a safe and wholesome food supply.

17 Unless the agreement stipulates otherwise, the amount of
18 loan repayment shall not exceed \$15,000 annually and shall not
19 exceed a total of \$60,000 or the amount of outstanding eligible
20 loans, whichever amount is less.

21 Subject to funding, the commission must enter into at least
22 five program agreements annually.

23 The commission may waive the requirement that the loan
24 repayment recipient practice in the same veterinary shortage
25 area or rural service commitment area for all four years.

26 The bill establishes the conditions under which the service
27 obligation may be postponed and terms for satisfaction of the
28 service obligation. Except for a postponement for a medical
29 condition, the service obligation shall not be postponed for
30 more than two years. The commission is authorized to waive
31 the requirement that the person who entered into the agreement
32 fulfill the obligation to engage in practice.

33 If a loan repayment recipient fails to fulfill their
34 obligation, the recipient shall be subject to repayment of
35 moneys paid by the commission and may also be subject to

1 repayment of moneys advanced by the rural service commitment
2 area.

3 A rural veterinary care trust fund is created in the
4 state treasury as a separate fund under the control of the
5 commission. All moneys deposited or paid into the trust
6 fund are appropriated and made available to the commission
7 to be used for the program and to increase the number of
8 veterinarians in the program and do not revert to the general
9 fund of the state at the end of the fiscal year. The commission
10 may accept gifts, grants, bequests, and other private
11 contributions, as well as state or federal moneys, for deposit
12 in the fund.